

Historic, archived document

Do not assume content reflects current scientific knowledge, policies, or practices.

119
EX 892 ESC
No. 365 1941

LIBRARY OF THE
OFFICE OF EXPERIMENT STATIONS

AUG 27 1941

EXPERIMENT STATION FILE

Extension Service

United States Department of Agriculture and State Agricultural Colleges
Cooperating

A SUMMARY OF AGRICULTURAL-ECONOMICS EXTENSION WORK
AND THE ADJUSTMENTS NEEDED TO MEET THE EMERGENCY
IN THE NORTHEASTERN STATES

By
L. M. Vaughan
Senior Extension Economist
Economics Section

CONTENTS

	Page
Introduction	1
Marketing and distribution	2
Farm management	3
Land use	3
Farm finance	4
Taxation and local government	4
Economics for young people in rural areas	5
Economic information	6
Farmer committees	7
Adjustments to meet the emergency	8

A SUMMARY OF AGRICULTURAL ECONOMICS EXTENSION WORK
AND THE ADJUSTMENTS NEEDED TO MEET THE EMERGENCY
IN THE 12 NORTHEASTERN STATES

INTRODUCTION

As we enter into a period of emergency activities in connection with national defense, extension workers are appraising their present educational programs and adjusting them to serve more fully the needs of the times. This task becomes particularly important for extension economists, in view of the wide variety of contributions they are making and can make, not only through their own direct contacts with farm people but also through projects developed in cooperation with other members of the extension staff. The latter is becoming of increasing importance as more and more of our extension activities are measured in terms of their contribution to economic and social welfare.

This summary of programs and adjustments is presented as an aid to State extension economists who are now in the process of taking on new assignments and making adjustments where desirable, in the emphasis placed on the various activities. It is hoped that such a presentation of proposed extension work in agricultural economics in the Northeastern States at this time will be helpful to these States in making further decisions.

From the annual plans of work, the various proposed activities for 1941 have been catalogued into groups which describe the nature of the work. From the personnel assignments and the days devoted to specific activities, an estimated proportion of time allotted to these different fields of work has been determined. It is important to note, however, that much extension work in agricultural economics in the Northeast is done by other than extension economists. Extension supervisors and commodity specialists are active in many ways, and members of the research and teaching staffs of the colleges do considerable educational work in the field. County agents, in a large measure, carry out projects of an economic nature on their own responsibility, as a result of the training and guidance they have received and are now being given. This analysis is confined, however, to the activities of extension economists as they pertain to their full responsibilities in organizing and conducting the broad field of agricultural economics extension work.

According to the plans of work, an equivalent of 41 men are assigned to extension work in agricultural economics in the 12 Northeastern States in 1941. There are 48 persons involved, but 14 do not spend full time at extension work. An analysis of the type of work to be done indicates that

DISTRIBUTION: A copy of this circular has been sent to each extension director, extension economist, extension editor, agricultural-college library, and experiment-station library.

three-fourths of the time is devoted fairly equally to farm management, land use, and marketing (table 1). The other fourth is devoted to economic information, taxation and local government, farm finance, and economics for young people.

TABLE 1. Proposed allocation of time by types of work of extension economists in 12 Northeastern States in 1941 1/

Item	Man equivalent	Percent
Marketing and distribution	11.6	28.3
Farm management	10.6	25.9
Land use	9.6	23.4
Economic information	4.2	10.2
Taxation and local government	2.2	5.4
Farm finance	1.7	4.1
Economics for young people	1.1	2.7
TOTAL	41.0	100.0

1/ Calculated from information presented in annual plans of work. The above allocation of time is totaled for all extension economists in the 12 Northeastern States and is not necessarily representative of the distribution of time by types of work in any one State or for any one specialist.

MARKETING AND DISTRIBUTION

The marketing and distribution phase of the work involves assistance in the buying and selling operations of farmers, and in the distribution of farm products and farm supplies.

1. General education and special assistance in helping farmers to market farm products (grading, packaging, outlook information, methods of selling, consumer preferences, etc.).
2. Helping farmers to organize for buying and selling more efficiently (information on cooperative business principles, cooperative laws, advice on farmers' proposals for new organizations, etc.).
3. Business-management service for farm cooperatives (analysis of business efficiency, setting up accounting systems, financial appraisals, etc.).
4. Developing better market facilities (information on the need for improvement and assistance in determining the best type of facilities and how to get them).
5. Programs in cooperation with the "trade" (better merchandising through cooperation of farmers, wholesalers, retailers, and consumers, as a result of better understanding of each other's

problems, more accurate information on supplies, more uniform packaging, more orderly arrivals on terminal markets, special sales campaigns, advertising, etc.).

6. Marketing orders, agreements, and other programs (assistance in the development, carrying out, and general understanding of the provisions of orders, agreements, stamp plan, surplus purchase, and other marketing programs of Government agencies).
7. Developing factual material for use in an educational program (conduct market surveys, check on supply and demand, etc.).

FARM MANAGEMENT

The farm-management phase involves assistance to farmers in the organization and operation of their farm businesses.

1. Farm record keeping (assistance in keeping and analyzing farm and enterprise accounts, cost-and-sale records, etc.).
2. Assistance in farm operation (farm lay-out, building arrangement, efficiencies in the use of labor and equipment, current outlook information, home food supply, additional sources of income, landlord-tenant relationships, father-and-son partnerships, sound principles of farm organization, making income tax returns, etc.).
3. Planning the farm business (assisting farmers to analyze their business, determine adjustments to be made, work out a long-time plan and budget to test its soundness and to indicate the rapidity with which the plan can be carried out).
4. Advice and assistance to prospective farmers (information on the characteristics of a good farm, choosing a farm, how to get started in farming, leasing arrangements, etc.).
5. Developing factual material for use in an educational program (income surveys, labor surveys, cost and practice surveys, etc.).

LAND USE

The land use phase involves assistance in making farm adjustments and in developing a better use of land resources.

1. Economic classification of land (creating a better understanding of the relative ability of different areas of land to pay for investments of labor and capital).
2. Shifts in systems of farming and farm practices (assistance to farm people in cooperation with various organizations and agencies in making farm adjustments resulting from changes in the economic and physical productivity of land).

3. Better uses for submarginal farming areas (assistance in determining the best uses for areas not suitable to permanent farming, and in developing and managing such lands as adjuncts to nearby farms, as summer homes or as forest, wildlife, recreation, or park areas).
4. Land as an economic resource (assistance in the development of a better understanding of the contributions of land to public welfare, and of the relationships of the various major uses of land to each other; ownership and tenure of land; and the economics of land maintenance, such as erosion, drainage, flood control, and productivity).
5. Developing factual material for use in an educational program (outlining land use areas, level-of-living studies, surveys of conditions in poor areas, etc.).

FARM FINANCE

The farm finance phase involves assistance on the financial problems to farmers.

1. Farm inventory and credit statement campaigns (assistance to farm people in cooperation with banks and credit agencies in taking an annual inventory of resources and liabilities, establishing credit ratings, and working out credit requirements and payment programs in advance of the time when needed).
2. Debt adjustment and loan servicing (special assistance to farmers, in cooperation with credit agencies, in analyzing financial positions, obtaining adjustments in debt loads, and in working out farm programs for delinquent borrowers).
3. General educational program on credit (developing a better understanding of credit facilities, and of the functions of credit and of when and how to use it, including relationships with bankers, merchants, dealers, credit agencies, etc.).
4. Developing factual material for use in an educational program (surveys on sources of credit, on how farmers finance their businesses, on amounts and kinds of indebtedness, etc.).

TAXATION AND LOCAL GOVERNMENT

The taxation and local government phase involves assistance in developing a better use of local public funds.

1. Taxation (developing a better understanding of where the public money comes from and where it goes, and assistance in making needed adjustments, including a general educational program concerning the contribution of farmers to the total tax revenue, and the relationship of this contribution to the ability to pay and to the use made of services paid for).

2. Local government (assistance to public officials in a more efficient conduct of their affairs, such as help in accounting systems, analysis of expenditures, and preparation of reports to the public. Also developing a better understanding of the organization and functioning of local government, and of the adjustments needed to make the system of greater service to farm people.)
3. Public facilities for rural areas (assistance in studying local needs for improvements in public facilities, developing farm-to-market roads, electric-line extensions, schools, recreation centers, and health facilities and services).
4. Developing factual material for use in an educational program (local surveys on facilities, trends in taxes, etc.).

ECONOMICS FOR YOUNG PEOPLE IN RURAL AREAS

The economics for young people phase involves assistance to rural young people in getting a better understanding of practical economics as a part of their preparation for adult life.

1. Guidance concerning occupation (assistance in considering opportunities in farming and other related fields, the requirements for different vocations, financial returns, advantages and disadvantages).
2. How to get started in farming (assistance in studying the characteristics of a good farm, what constitutes a good farm business, how to select a farm, and the steps to take in getting established on a farm).
3. Prices and how they affect farmers (getting a basic understanding of how prices are made, how they behave, the relationships between prices, price trends and fluctuations, how price situations affect returns from farming, and what is meant by index numbers, purchasing power, cycles, seasonality, price level, parity, basic commodities, etc.).
4. The distribution system (learning about what happens to farm products after they leave the farm, the steps in marketing, the place of cooperatives, the kinds of markets, the reasons for grading and standardizing, and how market requirements influence production practices).
5. The keeping of records (assistance in forming the habit of recording financial transactions, and using such records in planning a wiser use of money by helping young people to keep records on the things in which they are interested).
6. Legal matters and business transactions (training in use of checks, receipts, bills, etc.; in preparing and filing mortgages, notes, etc.; and in use of other legal and business papers common to everyday life).

7. Developing factual material for use in an educational program (survey of boys and girls by age groups, interests, etc.).

ECONOMIC INFORMATION

The economic information phase involves the preparation and dissemination of outlook and economic information.

1. Outlook (preparation and dissemination of regular releases on the outlook for prices, supply, demand, etc. of farm products and farm supplies that are made available for general distribution and for use in connection with all other phases of economics extension work. Maintenance of a reference source of statistical information on outlook and a supply of visual aids such as wall charts for use in public meetings).
2. Discussion pamphlets and special bulletins (preparation for general distribution of discussion pamphlets on economic problems of interest to farm people and of special bulletins on subjects of vital public concern).
3. Forums, institutes, and discussions on public problems (developing public understanding of major economic problems, such as rural-urban relationships, prices, international trade, interstate trade barriers, and national farm programs and policies).
4. Part-time farming and rural residents (special information service that meets the needs of persons living in the country but who do not make their living primarily from farming).
5. Training in economic background (special conferences and short courses for extension and other agricultural workers in agricultural economics as it pertains to the work of the various groups).
6. Developing factual material for use in an educational program (assembling related statistical data, etc.).

From the above descriptions of economics extension work in the Northeastern States it may seem that there are some activities not covered, such as the contribution of economists to land use planning, better living from the farm, health and nutrition, food for defense, and other programs that are operating under the direction of staff committees. This apparent omission is due to the fact that in general the economist's contribution to these joint programs lies in one of the activities mentioned above. All these activities are of course not fully developed in each State, but each activity is an actuality in one or more of the Northeastern States, and most of them are under way in each of the 12 States.

FARMER COMMITTEES

In order to present the work of extension economists more accurately, it may be desirable to review briefly the structure of farmer committees that are available to work with. It has been a fundamental principle for many years in the Northeast that the most effective way to do educational work was to bring the farm people into the process from the start. Consequently, a large number of farmer committees have been set up to consider problems, study situations, recommend solutions, and help to work out programs of action. These organized groups with which the Extension Service conducts much of its work have developed over a period of years with considerable flexibility and have changed from time to time as conditions have changed.

At present, the most numerous groups of farmer committees are those sponsored by the farmers themselves. Where fully organized, they usually function on a community, commodity, or county basis, or on all three. Farm organizations have also sponsored many special committees to handle specific problems such as market committees, farm-labor committees, and tax committees. Various councils have been set up by growers' organizations to operate on an industry basis such as dairy, poultry, fruit, and vegetable councils. Intrastate regional groups have been developed in some of the larger States.

The region as a whole is also organized for a consideration of farm problems through the Northeastern Dairy Conference, the Northeastern Poultry Producers Council, and the Northeastern Vegetable and Potato Council. Market-area committees have recently been formed in about 12 metropolitan vegetable areas. All these local and regional committees are voluntary in nature and serve as excellent mediums through which to conduct educational work.

Considerable educational work in agricultural economics is also done directly with the Farm Bureau, Grange, vegetable growers' associations, horticultural societies, dairymen and poultrymen's associations, potato clubs, cooperatives, and other rural and urban organizations at their regular meetings and at public meetings arranged by these organizations. Most of this educational work is confined to the presentation of economic information, and to relating it to the findings and conclusions of farmer committees working on the situations being discussed.

With the large increase in Government-sponsored programs during the past decade, many new farmer committees have been created to assist in planning for and operating special programs such as the agricultural conservation program, the soil conservation districts' programs, and for the various activities of the Farm Security Administration, Rural Electrification Administration and Farm Credit Administration. This net work of farmer committees is complete on a regional, State, county, and community basis for A.A.A., and committees have been set up where needed for the other activities.

Servicing all these committees with the economic information and background requested by them has placed a greatly increased responsibility on the Extension Service, which it has been possible only partially to meet.

However, in cooperation with the respective agencies, contacts with these more newly created farmer committees, with specific responsibilities for the operation of action programs, have been very fruitful in results. In general, the Government-sponsored marketing programs have operated in co-operation with the existing machinery of farm organizations and cooperatives, which has opened new avenues for educational work with these groups.

The large increase in Government-sponsored programs has led to another group of farmer committees being organized as State, county, and community land use planning committees under the provisions of the Mount Weather Agreement. The purpose of these committees is to bring together representatives of Government agencies and farm people to develop sound land use plans and to participate jointly in planning farm programs. In general, these planning committees have been set up to be independent of other farmer committees, except for the connection that comes from overlapping membership. The local representative of the U. S. Department of Agriculture agencies is automatically a member of these planning committees, and the local representative of State agencies, concerned with land use, is also invited to participate as a member. This structure of committees has been proceeding county by county.

The most recent committees to be authorized are the U. S. Department of Agriculture defense boards in each State and in all counties. These boards, made up of a representative from the various U.S. Department of Agriculture agencies, including the Extension Service, have the responsibility of "expediting and coordinating in the field, administration of the activities carried on by the Department in furtherance of or that involve the national defense, and coordinating these departmental activities with activities of other defense agencies in the field." Various committees set up to do emergency jobs in connection with defense, will, because of the nature of their assignments, be most important groups with which to work during the next few years.

The reason for devoting a section in this report to farmer committees is twofold. First, it brings out the fact that more and more educational work in agricultural economics is being done with committees. It also makes even more desirable the organizing and carrying out of the work closely with other specialists of the Extension Service and with the personnel of agencies and organizations, because these farmer committees are working on the solutions to problems that usually require joint participation if the most desirable results are to be obtained. Secondly, extension economists are faced with many more groups with which to work that can possibly be served adequately. Consequently, a reappraisal of the activities, the time available, and the accomplishments is highly important in view of expanding demands and the limited personnel.

ADJUSTMENTS TO MEET THE EMERGENCY

It is always to be hoped in a period like the present that those worth-while activities necessary for the long pull can be preserved. At the same time, it is now essential to contribute effectively and heavily to emergency activities. In general, this can be done and should be attempted, but the answer is usually somewhat of a compromise. Some of the things to consider in evaluating the situation follow:

In "marketing and distribution" maintenance will certainly be desirable of much of the general educational work, the business management service to cooperatives, and the programs for developing better market facilities. However, it may be necessary, in view of the emergency, to put more emphasis than usual on helping to make the existing distribution machinery function at its best during this period. In other words, more attention needs to be given to helping farmers buy and sell efficiently, to developing special merchandising programs with the trade, and to using the provisions of marketing agreements, orders, stamp plan, and surplus purchases, better to serve the needs of the present emergency.

In "farm management," the emphasis should undoubtedly be on assistance to farmers in efficient farm operation, in other words, to apply existing knowledge in order to obtain increased production of farm products in a constructive and effective manner. This is a big job and needs the combined ingenuity and cooperation of all farmers. It is to be hoped that this can be done without curtailment in the assistance given to farmers in record keeping, and without slowing up the increase taking place in the long-time planning of farm businesses, but the first order of business should be to help farmers now to get the production needed. More assistance in the efficient use of labor and equipment will be greatly appreciated by farmers under present conditions.

A program of advice to prospective farmers is very much needed in all States during this period and might be considered "two-sided." Some farm people attracted by high industrial wages will want to leave farms when they shouldn't do so, and some people in cities who have always had a farm "urge" and who may be on a fixed salary will be influenced by high retail food prices to make a change in their method of earning a livelihood at the wrong time.

In "land use," it is well to remember that the last war period (1915-20) had little effect on the fundamental long-time changes in northeastern agriculture. For example, the abandonment of farm land continued much as usual. The long-time trends in the purchasing power of individual farm products, with but minor interruptions, continued unchanged in direction. The systems of farming that paid best before the war were the systems that paid best after the war. Consequently, it is extremely important to maintain an active educational program on land use during this period in order that adjustments in agriculture may be made on the basis of a full understanding of the factors influencing such adjustments. This period will also be one in which considerable progress may possibly be made in the correction of certain undesirable land use situations. When events are being dominated by emergencies, it is even more desirable than usual that some groups assume the responsibility of relating the short-time changes to the longer-time adjustments being made.

None of the aforementioned work in land use, however, should minimize the importance of recognizing needed changes in current production, and making provisions that will enable farmers fully to realize their desire to cooperate in a Food-for-Defense program. Programs will be needed to assure an adequate farm labor supply, to provide for more storage of grain in the East, to establish priorities for essential equipment and materials of production, and to arrange for other aids to agriculture's contribution to defense.

In "farm finance," there will be many situations warranting close attention during the next few years. With rising prices, debts will be easier to pay and many farmers should pay them. On the other hand, the need for expanded production, coupled with the shortage of labor, will increase the demands for credit on equipment and productive livestock. If farm incomes are greater, land values will rise to a greater degree, more farms than usual will change hands, and new long-time obligations will be made. All this calls for placing more emphasis on the functions of credit, and on when and how to use it. Inventory and credit statement campaigns will serve as effective projects to bring out the points farmers should keep in mind while financing during periods of rising prices. Burdensome debts and delinquent loans will be less serious problems than usual but, in general, many persons will still need help in straightening out their financial situations.

In "taxation and local government" the work of extension economists is only in the initial stages of development in several States, and in a number of others has not yet been started as an organized project. Considerable research and investigational work is needed to establish a sound foundation. In many ways, the present period might not be considered a good time to initiate or expand work in taxation and local government, because such improvements are made slowly. However, the farm tax situation in many rural areas has reached a point where farm people feel that something must be done about it soon if considerable permanent damage to the general welfare of these areas is to be avoided. Groups of individuals also react very much the same as individuals alone. Many farm people are still paying interest on the bonded indebtednesses of towns and counties incurred during the last period of high prices. It would, therefore, seem desirable to do all that it is possible to do with public officials during the next few years in helping them to develop a better understanding of economic conditions and to make the most efficient use of local public funds.

In "economics for young people in rural areas" the uncertainty of conditions makes the task of education more difficult. However, educational work with young people should go ahead on the basic assumption that whatever they do during the emergency period, they will serve later as the backbone of our society. They therefore need, right now, even more thorough training than usual in the fundamentals of democracy.

The laws of economics and the characteristics of a price economy play an important part in a democratic form of government. There can be only one reason for less work being done in economic training of young people during the next few years and that would be the departure of these young people from rural areas for military purposes, or to work in defense industries.

In "economic information" the opportunities are great. Things are happening fast. Farmers and others need current outlook information as a basis for making their decisions. For example, it is important that farmers realize the seriousness of the present need for certain foods. New methods in outlook work need to be developed to meet the demands adequately.

During the last war period and the years following it, we learned, or should have learned, much about prices. However, there are many people active today who have not had the first-hand experience that dates back to what has been called "the pre-war period" (1910-14). It would probably be desirable to get some of the "old charts and talks" out again and discuss the things that happened during that period. The present situation differs in many respects from that of the earlier period, but there are also many similarities in the two situations, and it may be that the similarities will predominate. At any rate, it would be worth while to compare and discuss the two periods as a means of developing a better understanding of prices. An active educational program on the fundamentals of prices, coupled with current outlook information, should continue to be a very important part of a program for developing a better public understanding of major economic problems.

The foregoing comments have been given to stimulate thinking, and to help the State extension economists to review their own activities and adjust them to be of greatest service during this period of emergencies. In doing this, the activities of extension economists should, of course, be blended into those of the Extension Service as a whole. Probably one of the biggest contributions extension economists can make is to serve more effectively in helping the Extension Service to carry out its responsibilities involved in the planning of agricultural programs, the food-for-defense program, the health-and-nutrition program, the better-living-from-the-farm program, the farm-and-home unit demonstrations, and other programs calling for joint participation with other members of the Extension staff and with other agencies.

Also, the increasing importance of approaching many problems on a regional basis calls for groups of State extension economists to work more closely with each other, and in cooperation with representatives from the Economics Section of the Federal Extension Service. Undoubtedly this type of work will become of increasing importance during the emergency period.

